



July 23, 2004

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**EX PARTE – VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, D.C. 20554

Re: WC Docket No. 03-133, AT&T Petition for Declaratory Ruling regarding Prepaid  
Calling Card Services  
Notice of Oral Ex Parte Presentation

Dear Ms. Dortch:

On July 21, 2004, John Nakahata of Harris, Wiltshire, and Grannis, and I, on behalf of GCI, met with Chris Libertelli and Cory Jackson of Chairman Powell's office, and on July 22, 2004, I met separately with Commissioner Martin and Dan Gonzalez, and Scott Bergmann of Commissioner Adelstein's office, regarding issues raised in the referenced proceedings. The substance of GCI's presentations was consistent with its written submissions filed in the proceedings.

The Commission should deny the AT&T petition without further delay. In addition to being the correct outcome under the law, as described in the filings by GCI and other parties to the proceeding, resolution of the issue is required to end AT&T's undermining of universal service, by simultaneously withholding contributions from the universal service fund for interstate calling card calls and refusing to pay its fair share of intrastate access charges for in-state calling card calls. AT&T has argued that it should not be required to follow the rules currently in place, because AT&T will raise its rates for pre-paid calling card services.<sup>1</sup> The real threat to affordable, universal service, however, is posed not by the Commission's denial of the AT&T petition, but by Commission inaction, which permits AT&T to perpetuate its assault on the current regulatory regime. In the absence of Commission enforcement of the law and its rules, other carriers will ultimately have no choice but to follow AT&T's crooked path, rendering the current system unsustainable and irrelevant, making it near impossible to follow a rational, orderly path to an alternative intercarrier compensation mechanism.

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<sup>1</sup> See *Ex Parte* Letter from Robert W. Quinn, Jr., to Marlene H. Dortch, FCC Secretary, WC Docket No. 03-133 (filed July 20, 2004).

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As for AT&T's latest arguments regarding its position as a facilities-based calling card provider,<sup>2</sup> GCI agrees that the law and the rules should be applied and enforced against all providers. There is absolutely no justification for AT&T or any other provider to be given a pass on obligations to contribute to USF and pay access charges due for calls that originate and terminate in the same state. By shirking its payment obligations, AT&T has wrongly shifted its costs to other carriers, like GCI. Permitting such actions to continue places carriers that follow the rules at a competitive disadvantage.

In accordance with the Commission's rules, a copy of this letter is being filed in the referenced proceedings.

Sincerely,

/s/

Tina M. Pidgeon

Vice President, Federal Regulatory Affairs

cc: The Honorable Kevin Martin  
Scott Bergmann  
Dan Gonzalez  
Cory Jackson  
Chris Libertelli

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<sup>2</sup> *Ex Parte* Letter from David Lawson, Counsel for AT&T, to Marlene H. Dortch, FCC Secretary, WC Docket No. 03-133 (filed July 21, 2004).